



Irish Life Weekly Investment Bulletin

The week that was – WEEK 42 (ending 20/10/2017)

“Change your opinions, keep to your principles; change your leaves, keep intact your roots.”
– Victor Hugo

Irish exports to Great Britain increase in 2017 despite Brexit vote – According to preliminary figures from the Central Statistics Office (CSO), exports to Great Britain for the year-to-date in August are €916m or 11% higher than the same period in 2016 despite the concerns over Brexit and sterling weakness/euro strength.

EC defers decision on UK trade talks – The European Council deferred a decision on whether or not Brexit negotiators had made sufficient progress to allow trade talks between the UK and the EU. German chancellor Angela Merkel said that she is hopeful talks will be able to progress to future trade matters in December.

Global stock market up 0.6% on the week – The MSCI AC World TR Index showed a 0.62% rise from the 13th October to 20th October, as U.S. equities again pushed to record highs. Volatility, as measured by the Chicago Board Options Exchange Volatility Index (VIX) finished up the week at 9.97, up from 9.61 on 13th.

U.S. budget resolution increases chances for tax bill – The Senate passed its fiscal-year 2018 budget resolution, opening the door to the overhaul of the tax code as the resolution allows Republicans to pass a tax bill and reform with a simple majority, which means they will not require the support of the Democrats.

UK inflation rises to five-year high at 3% – The Office for National Statistics (ONS) reported that the Consumer Prices Index (CPI) rose to 3% in September, its highest level since April 2012 which increased expectations that the Bank of England will raise interest rates next month, for the first time in a decade.

19th Congress of the Chinese Communist Party kicks off – The Chinese Communist party congress, a key meeting held every five years, opened in Beijing with a marathon three-hour speech by General Secretary/President Xi Jinping where he called for “the great rejuvenation of the Chinese nation”.

The Story of the week: She was flying Lucky Air, but that wasn't quite enough for a 76-year-old Chinese woman who tossed coins at the jet's engine to wish for a safe flight, prompting authorities to detain her and ground the flight. The incident occurred on Wednesday at the airport in the city of Anqing in eastern China's Anhui province. According to authorities it was the second such report this year of a safety scare caused by a coin-tossing elderly Chinese.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 20/10)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	16.8
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	5.5
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	8.9
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	12.1
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	16.9
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	23.2
Nikkei 225	22.9	56.7	7.1	9.1	0.4	12.3
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	25.6
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.0
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.4
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.3
Japan	0.7	0.7	0.3	0.2	0.0	0.1
Ireland	4.5	3.4	1.3	1.1	0.7	0.7
Italy	4.6	4.1	2.1	1.6	1.8	2.0
Greece	12.7	8.2	9.6	7.9	7.1	5.6
Portugal	6.9	6.1	2.7	2.5	3.8	2.3
Spain	5.4	4.1	1.6	1.7	1.4	1.6
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.17
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.89
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.32
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	4.1% (to end of Q2)
U.K.	2.7	10.7	17.8	13.1	3.6	4.8% (to end of Q2)
U.S.	5.3	11.4	11.2	12.1	7.8	3.3% (to end of Q2)

*Past performance is not a reliable guide to future performance